



STATE OF MONTANA

REQUEST FOR PROPOSAL (RFP)

FOR INFORMATION TECHNOLOGY

RFP Number:
RFP06-12000

RFP Title:
Electronic Grants Management System

RFP Response Due Date and Time:
November 18, 2005
2 p.m., Local Time

Number of Pages: 48

ISSUING AGENCY INFORMATION

Procurement Officer:
Robert Oliver

Issue Date:
October 7, 2005

State Procurement Bureau
General Services Division
Department of Administration
Room 165, Mitchell Building
125 North Roberts Street
P.O. Box 200135
Helena, MT 59620-0135

Phone: (406) 444-2575
Fax: (406) 444-2529
TTY Users, Dial 711

Website: <http://www.mt.gov/doa/gsd>

INSTRUCTIONS TO OFFERORS

Return Sealed Proposal to:

State Procurement Bureau
General Services Division
Department of Administration
Room 165, Mitchell Building
125 North Roberts Street
P.O. Box 200135
Helena, MT 59620-0135

Mark Face of Envelope/Package:

RFP Number: RFP06-12000
RFP Response Due Date: 11/18/05

Special Instructions:
N/A

IMPORTANT: SEE STANDARD TERMS AND CONDITIONS

OFFERORS MUST COMPLETE THE FOLLOWING

Offeror Name/Address:

Authorized Offeror Signatory:

(Please print name and sign in ink)

Offeror Phone Number:

Offeror FAX Number:

Offeror E-mail Address:

OFFERORS MUST RETURN THIS COVER SHEET WITH RFP RESPONSE

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OFFEROR'S RFP CHECKLIST

The 10 Most Critical Things to Keep in Mind When Responding to an RFP for the State of Montana

1. _____ **Read the entire document.** Note critical items such as: mandatory requirements; supplies/services required; submittal dates; number of copies required for submittal; funding amount and source; contract requirements (i.e., contract performance security, insurance requirements, performance and/or reporting requirements, etc.).
2. _____ **Note the procurement officer's name, address, phone numbers and e-mail address.** This is the only person you are allowed to communicate with regarding the RFP and is an excellent source of information for any questions you may have.
3. _____ **Attend the pre-proposal conference** if one is offered. These conferences provide an opportunity to ask clarifying questions, obtain a better understanding of the project, or to notify the State of any ambiguities, inconsistencies, or errors in the RFP.
4. _____ **Take advantage of the "question and answer" period.** Submit your questions to the procurement officer by the due date listed in the Schedule of Events and view the answers given in the formal "addenda" issued for the RFP. All addenda issued for an RFP are posted on the State's website and will include all questions asked and answered concerning the RFP.
5. _____ **Follow the format required in the RFP** when preparing your response. Provide point-by-point responses to all sections in a clear and concise manner.
6. _____ **Provide complete answers/descriptions.** Read and answer **all** questions and requirements. Don't assume the State or evaluator/evaluation committee will know what your company capabilities are or what items/services you can provide, even if you have previously contracted with the State. The proposals are evaluated based solely on the information and materials provided in your response.
7. _____ **Use the forms provided**, i.e., cover page, sample budget form, certification forms, etc.
8. _____ **Check the State's website for RFP addenda.** Before submitting your response, check the State's website at <http://www.mt.gov/doa/GSD/osbs/default.asp> to see whether any addenda were issued for the RFP. If so, you must submit a signed cover sheet for each addendum issued along with your RFP response.
9. _____ **Review and read the RFP document again** to make sure that you have addressed all requirements. Your original response and the requested copies must be identical and be complete. The copies are provided to the evaluator/evaluation committee members and will be used to score your response.
10. _____ **Submit your response on time.** Note all the dates and times listed in the Schedule of Events and within the document, and be sure to submit all required items on time. Late proposal responses are **never** accepted.

This checklist is provided for assistance only and should not be submitted with Offeror's Response.

SCHEDULE OF EVENTS

<u>EVENT</u>	<u>DATE</u>
RFP Issue Date	October 7, 2005
Deadline for Receipt of Written Questions	October 21, 2005
Deadline for Posting of Written Responses to the State's Website	October 28, 2005
RFP Response Due Date	November 18, 2005
Notification of Offeror Interviews/Product Demonstrations.....	TBA
Offeror Interviews/Product Demonstrations.....	TBA
Intended Date for Contract Award	February 3, 2006
E-grants System Online and Operational	September 30, 2006

SECTION 1: PROJECT OVERVIEW AND INSTRUCTIONS

1.0 PROJECT OVERVIEW

The STATE OF MONTANA, Montana Office of Public Instruction (hereinafter referred to as "the State") is seeking a contractor to provide a web-enabled electronic grants management system that will be accessible to all LEAs and other subgrantees via the Internet without the need for installing any special software or hardware. A more complete description of the supplies and/or services sought for this project is provided in Section 3, Scope of Project. Proposals submitted in response to this solicitation must comply with the instructions and procedures contained herein.

1.1 CONTRACT TERM

The contract term is for a period of one (1) year beginning February 3, 2006 and ending February 2, 2007. Renewals of the contract, by mutual agreement of both parties, may be made at one (1) year intervals, or any interval that is advantageous to the State. This contract, including any renewals, may not exceed a total of five (5) years, at the option of the State.

1.2 SINGLE POINT OF CONTACT

From the date this Request for Proposal (RFP) is issued until an offeror is selected and the selection is announced by the procurement officer, **offerors are not allowed to communicate with any state staff or officials regarding this procurement, except at the direction of Robert Oliver**, the procurement officer in charge of the solicitation. Any unauthorized contact may disqualify the offeror from further consideration. Contact information for the single point of contact is as follows:

Procurement Officer: Robert Oliver
Address: State Procurement Bureau
Room 165, Mitchell Building
125 North Roberts
PO Box 200135
Helena MT 59620-0135
Telephone Number: (406) 444-0110
Fax Number: (406) 444-2529
E-mail Address: roliver@mt.gov

1.3 REQUIRED REVIEW

1.3.1 Review RFP. Offerors should carefully review the instructions, mandatory requirements, specifications, standard terms and conditions, and contract set out in this RFP and promptly notify the procurement officer identified above in writing or via e-mail of any ambiguity, inconsistency, unduly restrictive specifications, or error which they discover upon examination of this RFP. This should include any terms or requirements within the RFP that either preclude the offeror from responding to the RFP or add unnecessary cost. This notification must be accompanied by an explanation and suggested modification and be received by the deadline for receipt of written or e-mailed inquiries set forth below. The State will make any final determination of changes to the RFP.

1.3.2 Form of Questions. Offerors with questions or requiring clarification or interpretation of any section within this RFP must address these questions in writing or via e-mail to the procurement officer referenced above on or before **October 21, 2005**. Each question must provide clear reference to the section, page, and item in question. Questions received after the deadline may not be considered.

1.3.3 State's Response. The State will provide an official written response by **October 28, 2005** to all questions received by **October 21, 2005**. The State's response will be by formal written addendum. Any other form of interpretation, correction, or change to this RFP will not be binding upon the State. Any formal written addendum will be posted on the State's website alongside the posting of the RFP at <http://www.mt.gov/doa/GSD/osbs/Default.asp> by the close of business on the date listed. **Offerors must sign and return with their RFP response an Acknowledgment of Addendum for any addendum issued.**

1.4 GENERAL REQUIREMENTS

1.4.1 Acceptance of Standard Terms and Conditions/Contract. By submitting a response to this RFP, offeror agrees to acceptance of the standard terms and conditions and contract as set out in Appendices A and B of this RFP. Much of the language included in the standard terms and conditions and contract reflects requirements of Montana law. Requests for additions or exceptions to the standard terms and conditions, contract terms, including any necessary licenses, or any added provisions must be submitted to the procurement officer referenced above by the date for receipt of written/e-mailed questions and must be accompanied by an explanation of why the exception is being sought and what specific effect it will have on the offeror's ability to respond to the RFP or perform the contract. The State reserves the right to address non-material requests for exceptions with the highest scoring offeror during contract negotiation. Any material exceptions requested and granted to the standard terms and conditions and contract language will be addressed in any formal written addendum issued for this RFP and will apply to all offerors submitting a response to this RFP. The State will make any final determination of changes to the standard terms and conditions and/or contract.

1.4.2 Resulting Contract. This RFP and any addenda, the offeror's RFP response, including any amendments, a best and final offer, and any clarification question responses shall be included in any resulting contract. The State's contract, attached as Appendix B, contains the contract terms and conditions which will form the basis of any contract between the State and the highest scoring offeror. In the event of a dispute as to the duties and responsibilities of the parties under this contract, the contract, along with any attachments prepared by the State, will govern in the same order of precedence as listed in the contract.

1.4.3 Mandatory Requirements. To be eligible for consideration, an offeror **must** meet the intent of all mandatory requirements. The State will determine whether an offeror's RFP response complies with the intent of the requirements. RFP responses that do not meet the full intent of all requirements listed in this RFP may be subject to point reductions during the evaluation process or may be deemed non-responsive.

1.4.4 Understanding of Specifications and Requirements. By submitting a response to this RFP, offeror agrees to an understanding of and compliance with the specifications and requirements described in this RFP.

1.4.5 Prime Contractor/Subcontractors. The highest scoring offeror will be the prime contractor if a contract is awarded and shall be responsible, in total, for all work of any subcontractors. All subcontractors, if any, must be listed in the proposal. The State reserves the right to approve all subcontractors. The Contractor shall be responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by the Contractor. Further, nothing contained within this document or any contract documents created as a result of any contract awards derived from this RFP shall create any contractual relationships between any subcontractor and the State.

1.4.6 Offeror's Signature. The proposals must be signed in ink by an individual authorized to legally bind the business submitting the proposal. The offeror's signature on a proposal in response to this RFP guarantees that the offer has been established without collusion and without effort to preclude the State of Montana from obtaining the best possible supply or service. Proof of authority of the person signing the RFP response must be furnished upon request.

1.4.7 Offer in Effect for 120 Days. A proposal may not be modified, withdrawn or canceled by the offeror for a 120-day period following the deadline for proposal submission as defined in the Schedule of Events, or receipt of best and final offer, if required, and offeror so agrees in submitting the proposal.

1.5 SUBMITTING A PROPOSAL

1.5.1 Organization of Proposal. Offerors must organize their proposal into sections that follow the format of this RFP, with tabs separating each section. A point-by-point response to all numbered sections, subsections, and appendices is required. If no explanation or clarification is required in the offeror's response to a specific subsection, the offeror shall indicate so in the point-by-point response or utilize a blanket response for the entire section with the following statement:

"(Offeror's Name)" understands and will comply.

1.5.2 Failure to Comply with Instructions. Offerors failing to comply with these instructions may be subject to point deductions. The State may also choose to not evaluate, may deem non-responsive, and/or may disqualify from further consideration any proposals that do not follow this RFP format, are difficult to understand, are difficult to read, or are missing any requested information.

1.5.3 Multiple Proposals. Offerors may, at their option, submit multiple proposals, in which case each proposal shall be evaluated as a separate document.

1.5.4 Copies Required and Deadline for Receipt of Proposals. Offerors must submit **one (1) original proposal and nine (9) copies** to the State Procurement Bureau. In addition, offerors must submit one (1) electronic copy of the proposal, preferably in PDF format, on compact disk. Offerors unable to provide an electronic copy of the proposal in PDF format must provide it in Word or text format. **PROPOSALS MUST BE SEALED AND LABELED ON THE OUTSIDE OF THE PACKAGE** to clearly indicate that they are in response to RFP 06-1200O. ***Proposals must be received at the receptionist's desk of the State Procurement Bureau prior to 2 p.m., local time, November 18, 2005. Facsimile responses to requests for proposals are ONLY accepted on an exception basis with prior approval of the procurement officer.***

1.5.5 Late Proposals. Regardless of cause, late proposals will not be accepted and will automatically be disqualified from further consideration. It shall be the offeror's sole risk to assure delivery at the receptionist's desk at the designated office by the designated time. Late proposals will not be opened and may be returned to the offeror at the expense of the offeror or destroyed if requested.

1.6 COST OF PREPARING A PROPOSAL

1.6.1 State Not Responsible for Preparation Costs. The costs for developing and delivering responses to this RFP and any subsequent presentations of the proposal as requested by the State are entirely the responsibility of the offeror. The State is not liable for any expense incurred by the offeror in the preparation and presentation of their proposal or any other costs incurred by the offeror prior to execution of a contract.

1.6.2 All Timely Submitted Materials Become State Property. All materials submitted in response to this RFP become the property of the State and are to be appended to any formal documentation, which would further define or expand any contractual relationship between the State and offeror resulting from this RFP process.

SECTION 2: RFP STANDARD INFORMATION

2.0 AUTHORITY

This RFP is issued under the authority of section 18-4-304, MCA (Montana Code Annotated) and ARM 2.5.602 (Administrative Rules of Montana). The RFP process is a procurement option allowing the award to be based on stated evaluation criteria. The RFP states the relative importance of all evaluation criteria. No other evaluation criteria, other than as outlined in the RFP, will be used.

2.1 OFFEROR COMPETITION

The State encourages free and open competition among offerors. Whenever possible, the State will design specifications, proposal requests, and conditions to accomplish this objective, consistent with the necessity to satisfy the State's need to procure technically sound, cost-effective services and supplies.

2.2 RECEIPT OF PROPOSALS AND PUBLIC INSPECTION

2.2.1 Public Information. All information received in response to this RFP, including copyrighted material, is deemed public information and will be made available for public viewing and copying shortly after the time for receipt of proposals has passed with the following three exceptions: (1) bona fide trade secrets meeting the requirements of the Uniform Trade Secrets Act, Title 30, chapter 14, part 4, MCA, that have been properly marked, separated, and documented; (2) matters involving individual safety as determined by the State; and (3) other constitutional protections. See Mont. Code Ann. § 18-4-304.

2.2.2 Procurement Officer Review of Proposals. Upon opening the proposals received in response to this RFP, the procurement officer in charge of the solicitation will review the proposals and separate out any information that meets the referenced exceptions in Section 2.2.1 above, providing the following conditions have been met:

- Confidential information is clearly marked and separated from the rest of the proposal.
- The proposal does not contain confidential material in the cost or price section.
- An affidavit from an offeror's legal counsel attesting to and explaining the validity of the trade secret claim as set out in Title 30, chapter 14, part 4, MCA, is attached to each proposal containing trade secrets. Counsel must use the State of Montana "Affidavit for Trade Secret Confidentiality" form in requesting the trade secret claim. This affidavit form is available on the General Services Division's website at: <http://www.mt.gov/doa/gsd/procurement/forms.asp> or by calling (406) 444-2575.

Information separated out under this process will be available for review only by the procurement officer, the evaluator/evaluation committee members, and limited other designees. Offerors must be prepared to pay all legal costs and fees associated with defending a claim for confidentiality in the event of a "right to know" (open records) request from another party.

2.3 CLASSIFICATION AND EVALUATION OF PROPOSALS

2.3.1 Initial Classification of Proposals as Responsive or Nonresponsive. All proposals will initially be classified as either "responsive" or "nonresponsive," in accordance with ARM 2.5.602. Proposals may be found nonresponsive at any time during the procurement process if any of the required information is not provided; the submitted price is found to be excessive or inadequate as measured by criteria stated in the RFP; or the proposal is not within the plans and specifications described and required in the RFP. If a proposal is found to be nonresponsive, it will not be considered further.

2.3.2 Determination of Responsibility. The procurement officer will determine whether an offeror has met the standards of responsibility in accordance with ARM 2.5.407. Such a determination may be made at any time during the procurement process if information surfaces that would result in a determination of nonresponsibility. If an offeror is found nonresponsive, the determination must be in writing, made a part of the procurement file and mailed to the affected offeror.

2.3.3 Evaluation of Proposals. An evaluator/evaluation committee will evaluate the remaining proposals and recommend whether to award the contract to the highest scoring offeror or, if necessary, to seek discussion/negotiation or a best and final offer in order to determine the highest scoring offeror. All responsive proposals will be evaluated based on stated evaluation criteria. In scoring against stated criteria, the State may consider such factors as accepted industry standards and a comparative evaluation of all other qualified RFP responses in terms of differing price, quality, and contractual factors. These scores will be used to determine the most advantageous offering to the State. If an evaluation committee meets to deliberate and evaluate the proposals, the public may attend and observe the evaluation committee deliberations.

2.3.4 Completeness of Proposals. Selection and award will be based on the offeror's proposal and other items outlined in this RFP. Submitted responses may not include references to information located elsewhere, such as Internet websites or libraries, unless specifically requested. Information or materials presented by offerors outside the formal response or subsequent discussion/negotiation or "best and final offer," if requested, will not be considered, will have no bearing on any award, and may result in the offeror being disqualified from further consideration.

2.3.5 Achieve Passing Score. Any proposal that fails to achieve **70% of the total available points for Sections 3 and 4 (or a total of 1,400 points)** will be eliminated from further consideration. A "fail" for any individual evaluation criteria may result in proposal disqualification at the discretion of the procurement officer.

The top five (5) offerors who achieve a 70% (1,400 points out of a possible 2,000) or higher for the non-cost written evaluation criteria will be invited to participate in a product demonstration and/or interview in Helena, Montana at the offeror's expense. Those offerors not in the top five (5) will no longer be considered for award. Specific details for the product demonstration/interview and evaluation criteria will be provided to those five finalists.

2.3.6 Opportunity for Discussion/Negotiation and/or Oral Presentation/Product Demonstration. After receipt of all proposals and prior to the determination of the award, the State may initiate discussions with one or more offerors should clarification or negotiation be necessary. Offerors may also be required to make an oral presentation and/or product demonstration to clarify their RFP response or to further define their offer. In either case, offerors should be prepared to send qualified personnel to Helena, Montana, to discuss technical and contractual aspects of the proposal. Oral presentations and product demonstrations, if requested, shall be at the offeror's expense.

2.3.7 Best and Final Offer. The "Best and Final Offer" is an option available to the State under the RFP process, which permits the State to request a "best and final offer" from one or more offerors if additional information is required to make a final decision. Offerors may be contacted asking that they submit their "best and final offer," which must include any and all discussed and/or negotiated changes. The State reserves the right to request a "best and final offer" for this RFP, if any, based on price/cost alone.

2.3.8 Evaluator/Evaluation Committee Recommendation for Contract Award. The evaluator/evaluation committee will provide a written recommendation for contract award to the procurement officer that contains the scores, justification and rationale for the decision. The procurement officer will review the recommendation to ensure its compliance with the RFP process and criteria before concurring in the evaluator's/evaluation committee's recommendation.

2.3.9 Request for Documents Notice. Upon concurrence with the evaluator's/evaluation committee's recommendation for contract award, the procurement officer will issue a "Request for Documents Notice" to the highest scoring offeror to obtain the required insurance documents, contract performance

security, an electronic copy of any requested material, i.e., response to clarification questions and/or Best and Final Offer, and any other necessary documents. Receipt of the "Request for Documents Notice" does not constitute a contract and no work may begin until a contract signed by all parties is in place. The procurement officer will notify all other offerors of the State's intent to begin contract negotiation with the highest scoring offeror.

2.3.10 Contract Negotiation. Upon issuance of the "Request for Documents Notice," the procurement officer and/or state agency representatives may begin contract negotiation with the responsive and responsible offeror whose proposal achieves the highest score and is, therefore, the most advantageous to the State. If contract negotiation is unsuccessful or the highest scoring offeror fails to provide necessary documents or information in a timely manner, or fails to negotiate in good faith, the State may terminate negotiations and begin negotiations with the next highest scoring offeror.

2.3.11 Contract Award. Contract award, if any, will be made to the highest scoring offeror who provides all required documents and successfully completes contract negotiation. A formal contract utilizing the Contract attached as Appendix B and incorporating the Standard Terms and Conditions attached as Appendix A will be executed by all parties.

2.4 STATE'S RIGHTS RESERVED

While the State has every intention to award a contract as a result of this RFP, issuance of the RFP in no way constitutes a commitment by the State of Montana to award and execute a contract. Upon a determination such actions would be in its best interest, the State, in its sole discretion, reserves the right to:

- cancel or terminate this RFP (Mont. Code Ann. § 18-4-307);
- reject any or all proposals received in response to this RFP (ARM 2.5.602);
- waive any undesirable, inconsequential, or inconsistent provisions of this RFP which would not have significant impact on any proposal (ARM 2.5.505);
- not award if it is in the best interest of the State not to proceed with contract execution (ARM 2.5.602); or
- if awarded, terminate any contract if the State determines adequate state funds are not available (Mont. Code Ann. § 18-4-313).

2.5 DEPARTMENT OF ADMINISTRATION POWERS AND DUTIES

The Department of Administration is responsible for carrying out the planning and program responsibilities for information technology (IT) for state government. (Mont. Code Ann. § 2-17-512.) The Chief Information Officer is the person appointed to carry out the duties and responsibilities of the Department of Administration relating to information technology. The Department of Administration shall:

- review the use of information technology resources for all state agencies;
- review and approve state agency specifications and procurement methods for the acquisition of information technology resources; and
- review, approve, and sign all state agency contracts and shall review and approve other formal agreements for information technology resources provided by the private sector and other government entities.

2.6 COMPLIANCE WITH STATE OF MONTANA IT STANDARDS

The offeror is expected to be familiar with the State of Montana IT environment. All services and products provided as a result of this RFP must comply with all applicable State of Montana IT policies and standards in effect at the time the RFP is issued. The offeror must request exceptions to State IT policies and standards in accordance with Section 1.5 of this RFP. It will be the responsibility of the State to deny the exception request

or to seek a policy or standards exception through the Department of Administration, Information Technology Services Division (ITSD). Offerors are expected to provide proposals that conform to State IT policies and standards. It is the intent of ITSD to utilize the existing policies and standards and not to routinely grant exceptions. The State reserves the right to address non-material requests for exceptions with the highest scoring offeror during contract negotiation.

The links below will provide information on State of Montana IT strategic plans, current environment, policies, and standards.

State of Montana Information Technology Strategic Plan

<http://www.mt.gov/itsd/stratplan/statewideplan.asp>

State of Montana Information Technology Environment

<http://www.mt.gov/itsd/techmt/compenviron.asp>

State of Montana IT Policies

<http://www.mt.gov/itsd/policy/enterprise.asp>

State of Montana Software Standards

<http://www.mt.gov/itsd/policy/software.asp>

2.7 PREFERENCE NOT APPLIED

Reciprocal preference will not be applied to this purchase because federal funds are involved. (ARM 2.5.408.)

SECTION 3: SCOPE OF PROJECT

For a complete list of Acronym/Terminology Definitions please refer to Section 3.18.

OVERVIEW:

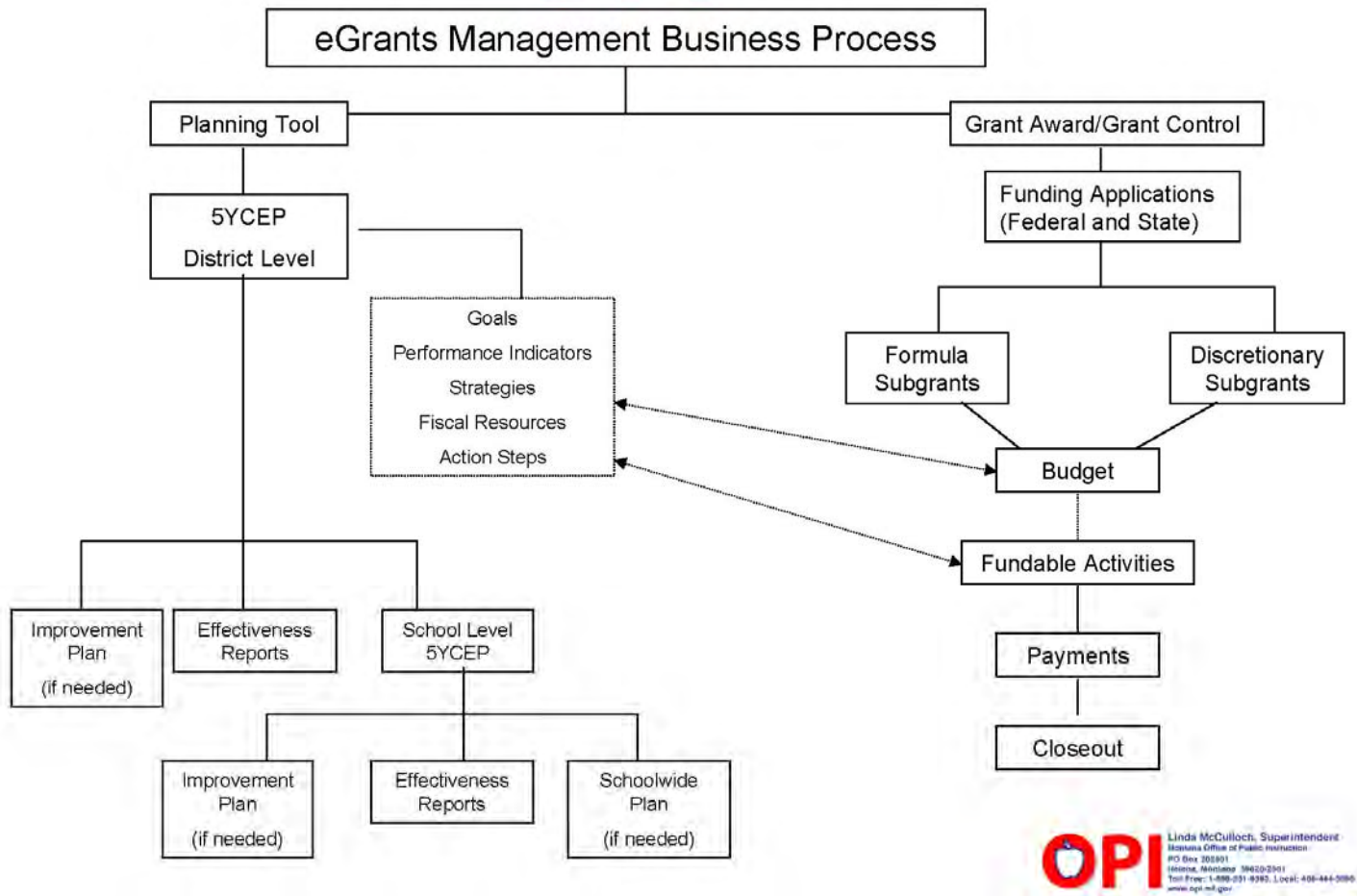
The successful contractor will be responsible for providing and implementing a Web-Enabled Electronic Grants Management System (E-grants) for the Montana Office of Public Instruction (OPI) that will be accessible to all LEAs and other subgrantees via the internet without the need for installing any special software or hardware. This system will include the grant control at the State level, application initiation, completion, submission, review, approval, ability to align district plans with fiscal resources and amendment process. The system should have a built in improvement tool for all grants administered by the SEA. LEA plans include goals, strategies, fiscal resources, and action steps. The E-grant system must support the grant application process from allocation of funds and application for funding through payment accountability, reporting to the grantor and grant closeout for both State and Federal Grants. In so doing, the system will 1) provide applicants knowledge of grant resources available to them in support of their Five Year Comprehensive Education Plan (5YCEP), Performance Indicators under IDEA, all Federal and State Grants Applications Planning, 2) improve communication between OPI grants program staff and applicants, and 3) increase the efficiency of the grants process for both applicants and OPI. The system must be designed to facilitate workflow.

The application must have a user-friendly interface that incorporates items such as spell check, pull-down menus, check boxes and radio buttons. The data must be in a secure, centralized system for data collection and reporting and allow data to be stored for no less than ten (10) years to maintain historical records. User access is audited and role based. The system shall provide work-in-progress capability and require that applications pass edits before submission to ensure they meet completion requirements.

BACKGROUND:

The OPI administers over 2,000 projects with approximately \$130 million for about 500 LEAs. Section 100 of the OPI State and Federal Grants Handbook provides a list of current grants with basic information about each grant, including a description and a calendar of due dates. Appendix B of the handbook contains a list of the standard forms that are used in managing grants. The handbook is available at <http://www.opi.mt.gov/FederalPrograms/handbook.html>. The E-grants system shall also be able to add additional grants, to be defined at a later date.

The following flow chart is an overview of the current E-grants management process. The OPI envisions streamlining the current business process in order to more efficiently manage the grants management process.



Montana Office of Public Instruction Background Information:

The mission and goals of the Montana OPI are as follows:

It is the mission of the Office of Public Instruction to improve teaching and learning through communication, collaboration, advocacy, and accountability to those we serve.

[Goal 1:](#) Support schools so that all students can achieve high standards

[Goal 2:](#) Assess and communicate the quality and achievements of K-12 education

[Goal 3:](#) Provide access to and management of information and data related to K-12 school improvement

[Goal 4:](#) Deliver quality instruction through professional development

[Goal 5:](#) Support accountability and improvement in all Montana schools

Montana Public School Enrollment for 2004- 2005 School Year:

School	Enrollment
Elementary	98,457
High School	48,095
State-Funded Schools	153
Total Public School enrollment	146,705

Montana Public School Districts for 2004- 2005 School Year:

K-12 Districts	55
Combined elementary (joint board)	105
Combined high school (joint board)	105
Single districts (168 Elem; 5 HS)	171
State funded districts	2
Non-operating and annexed districts	8
Total School Districts	446

Montana Public Schools for 2004- 2005 School Year:

Elementary Schools	455
Middle, 7&8, Junior High Schools	222
High Schools	175
Total Schools	852

3.0 RESPONSE TO LISTED REQUIREMENTS

Provide a point-by-point response to each and every requirement specified in Section 3 of this RFP. Responses to the requirements must be in the same sequence and numbered and labeled as they appear in this RFP. Responses must indicate that either the offeror's proposal "Y" = yes can meet the requirements, "N" = no cannot meet the requirement, or "D" = done can meet the requirement by the implementation. The response should include a proposal summary where the vendor addresses each of the specific requirements. The response should be a succinct explanation of how each requirement can be met, done by implementation, or cannot be met.

Each (Yes) response is scored two points; each (No) response is scored zero points; and each (Done by Implementation) response is scored one point. The evaluator/evaluation committee can also score on a pass/fail basis as indicated in section 6.1 of this RFP.

(Offeror's sum of weighted responses/Maximum possible sum of weighted responses)*Point value of the section

NOTE: Sum of weighted responses = Response #1 * Weight #1 + Response #2 * Weight #2.

Example: Total possible weighted points for section 3.13 is 39 based on stated response weight for each response. Offeror A's total scored points based on Yes=2, No=0 and Done=1 are as follows:

3.13.1	2 points times 10 equals	20
3.13.2	1 point times 8 equals	8
3.13.3	2 points times 5 equals	10
3.13.4	2 points times 8 equals	16
3.13.5	1 point times 8 equals	8
		62

Total points for section 3.13 equals **62**. The possible maximum weighted score for this section could be 78 based on the weighted response.

Section 6.1 (Category M, 3.13) has a maximum evaluation point value of 86 for this section. Therefore, offeror "A" would receive 68.35 points out of the maximum possible of 86.

The formula for this determination is: **(62/78)= 79.48% x 86 possible points = 68.35 points for offeror A)**

Y=Yes; N=No; D=Done by final implementation date			
	SPECIFICATIONS	Y/N/D	Response Weight
3.1	General Requirements		
3.1.1	Must be web based – accessible by W3C compatible web browser over SSL and require no additional plug-ins other than Adobe Acrobat Reader.		Pass/Fail
3.1.2	Supports a consistent "look and feel" across all grants applications and web services as determined by the SEA.		6
3.1.3	Must be able to pass information/data to and from the SEA's Data Warehouse.		10
3.1.4	Allow for entry of primary and alternate contact information for each program for each subgrantee (name, address, e-mail address, and phone number).		10
3.1.5	Allow the SEA to define business rules to determine program eligibility for specific subgrantees.		Pass/Fail

Y=Yes; N=No; D=Done by final implementation date			
	SPECIFICATIONS	Y/N/D	Response Weight
3.1.6	Provide standard directory information for subgrantees to be drawn from a centralized repository within the SEA. (Please see the reference to "Central" in the section titled Acronym/Terminology Definitions).		10
3.1.7	Must facilitate automated workflow and status tracking.		8
3.1.8	Must have a modular design that allows implementation of additional functionality at a later time.		4
3.1.9	Must be able to modify functional requirements to meet new state or federal requirements as the mandates for reporting change.		8
3.1.10	Provide work-in-progress capability (i.e., partially completed applications can be saved for completion at a later time if work accomplished meets minimal validation and edit criteria).		8
3.1.11	Allow for event-triggered e-mail notifications.		8
3.1.12	Must comply with the State of Montana and federal laws and regulations regarding accessibility for individuals with disabilities, including Section 508 standards. The system must comply with the State of Montana Accessibility Policy. This policy can be found at http://www.state.mt.us/discover/disclaimer.asp#accessibility .		9
3.2	Data Validation and Verification		
3.2.1	The system will identify on-line errors, warn users of such errors when appropriate, and/or preclude users from continuing the work process until the error is corrected.		8
3.2.2	The system will require the applications to pass edits before submission to ensure they meet completion requirements.		10
3.2.3	The system will provide page locking so that a user does not run the risk of overwriting another user's changes.		4
3.2.4	The system shall have procedures to allow modification of data without losing related data.		4
3.2.5	The system will ensure that records with warnings/errors can be identified within the system.		6

3.3	Web Forms			
3.3.1	The capability to submit data through web forms is required.		Entire Section is Pass/Fail	
3.3.2	The web forms and images must fully load within 20 seconds on a workstation with a connection as slow as 28.8 KB. All system components must be designed to adequately store and quickly deliver information to end-users. The system must efficiently handle peak workloads and maintain a high level of responsiveness.			↓
3.3.3	The system shall have a web based form generation capability that would allow the creation and modification of forms by users with the appropriate privileges.			
3.4	Technical Environment			
3.4.1	The database will reside in the data center at the SEA.		Entire Section is Pass/Fail	
3.4.2	The database must be Microsoft SQL Server on Windows 2000 or Windows 2003.			↓
3.4.3	The database must support historical data for no less than 10 years.			
3.4.4	The E-grants system must be able to allow for a minimum of 200 concurrent users.			
3.4.5	The web interface for the E-grants application must run on a Windows IIS web server.			
3.5	Security			
3.5.1	The Security Model must provide access controls, rights, and privileges based on users groups and roles for all data and forms in the system.		Pass/Fail	
3.5.2	A web-based administrative function is required for managing users and their passwords, access controls, rights and privileges.		Pass/Fail	
3.5.3	<p>All modifications and additions to the database will be time-and date-stamped, and create an audit trail. The audit trail information may include the following:</p> <ul style="list-style-type: none"> • Last subgrantee and user ID to edit a record. • Date and time of record creation. • Date and time of last record update. • Fields that were changed. • Optional comments for person updating, i.e., reason for change. 		8	

	<ul style="list-style-type: none"> A batch ID to uniquely identify batches submitted to the system (in the event a back-out of the data is necessary), or online entry designation. 		
3.5.4	The system must be able to manage secure transmission with the capability to encrypt sensitive data.		10
3.5.5	The system must comply with the State of Montana Internet Policies. These policies can be found at http://www.state.mt.us/itsd/policy/enterprise.asp .		Pass/Fail
3.5.6	All secured web services may be required to integrate with ePass Montana, the State's Internet federated ID service. The ePass Montana service is based on SAML 1.1 using SourceID as a code base. Development toolkits are available for PERL, PHP, JAVA, ASP and .NET.		7
3.5.7	Software access is restricted after SEA user-defined number of unauthorized attempts to enter.		5
3.5.8	The system will allow for an automatic sign-off based on the SEA defined amount of inactivity time.		5
3.6	Usability Functional Requirements		
3.6.1	The system must have a built in spell checker.		7
3.6.2	The system shall incorporate ease of use features such as pull-down boxes, check boxes, radio buttons, etc. to speed data entry.		5
3.6.3	Key fields must carry over from screen to screen to avoid duplication of data entry.		7
3.6.4	The system shall have the ability to link to external information sources such as web links and other SQL databases.		3
3.6.5	Movement between fields must be done by using the <TAB> key and/or a mouse.		3
3.6.6	If data entry screens appear in a format similar to a printed form, all text boxes must be expandable with the final printed document utilizing a professional appearing format. If data entry screens are not similar to the format of the printed form, there must be an easy toggle between the data entry screen and in the appearance of the print ready documents.		5

THE FOLLOWING FUNCTIONAL REQUIREMENTS DESCRIBE THE MINIMAL ESSENTIAL COMPONENTS OF WHAT THE E-GRANTS MANAGEMENT SYSTEM MUST BE ABLE TO DO TO ADDRESS OPI'S BUSINESS NEEDS AND OBJECTIVES. OFFERORS ARE ENCOURAGED TO PROPOSE FUNCTIONALITY BEYOND THE MINIMUMS SPECIFIED IN THIS SECTION.

3.7	Grant Control The e-Grant system must be able to track the following items by grant award:		
3.7.1	<ul style="list-style-type: none"> Grant balance. Identifying information (i.e., award number, period of availability, CFDA number, etc.). Funds retained for SEA administration and state level activities as predetermined by federal regulation. Funds available for allocation to subgrantees. Allocations and disbursements made to subgrantees. Funds returned to the SEA by subgrantees. Funds available to subgrantees for allowable carryover and reallocation.		10
3.7.2	The e-Grant system must support a First-In-First-Out (FIFO) method of accounting.		10
3.8	Grants Allocations The e-Grant system must be able to:		
3.8.1	Import information from other external programs (such as Excel, MS Access, etc.) to include at least potential subgrantees, allocation amounts, MOE, and final or net allocations.		8
3.8.2	System must allow for allocation to be designated as preliminary or final.		7
3.8.3	Allow for recalculations throughout the system when preliminary allocation is changed to final.		10
3.8.4	Allow for prime applicants and participating members of cooperatives and consortiums to change.		10
3.8.5	Identify the individual allocations generated by each participating member of a consortium or cooperative in the total award to the prime applicant.		10
3.8.6	Control allocation detail within the application to prevent subgrantees from over budgeting the allocation.		10
3.8.7	Allow and track transferred and flexed funds (under Title VI of ESEA) between grant projects within specific limits and criteria.		10
3.8.8	Perform calculations for a district(s) to determine the proportionate share of funds that must be spent for private school students.		8

3.8.9	Perform calculation for districts to determine per pupil amounts and school level allocations.		10
3.9	Grants Application The e-Grant system must be able to:		
3.9.1	Support competitive, discretionary/noncompetitive, and formula grants.		10
3.9.2	Prefill grant name, alias, and identifying information such as CFDA#, Federal or State grantor agency, etc.		10
3.9.3	Generate application budgets using designated business rules. Budgets must allow for allocation at the categorical level or line item level based on grant or subgrantee status.		10
3.9.4	The system must perform all budget calculations, including set asides, directs and indirects.		10
3.9.5	<p>Provide a grant designer tool that will permit OPI program specialists (i.e. non-IT staff), with management approval, to create an application for a grant or modify an existing grant application. The grant designer tools shall include:</p> <ul style="list-style-type: none"> • The capability to define templates (groups of "controls") to be reused in creating new applications. • The capability to add and delete common controls (i.e., labels, text boxes, lists) to and from an application. • The capability to define the layout of controls, including the ability to have multiple items on the same "line" and justification of controls. • The capability to define properties for the controls, such as color, font, variable field lengths, "enabled"/"disabled" fields. • The capability to define properties and/or visibility of an item conditionally based on a sub-grantee status. <p>The capability to define business rules to be used for validation of the data input into controls.</p>		10
3.9.6	Provide for input and extraction of program type/status for Title I A by school (school wide, targeted assistance, eligible not participating, not eligible).		8

3.9.7	Allow for projects that overlap fiscal years, such that a grantee may have multiple projects of the same grant operating at one time (e.g., Title IA project for FY 05 and the Title IA project for FY 06).		10
3.9.8	Include common assurances and program specific assurances. <ul style="list-style-type: none"> • The system must have a tracking system of all signed common assurances to include a date. • The tracking system must identify and prevent approval of debarred/suspended subgrantees to include date of suspension/debarment. 		10
3.10	Planning Tool The e-Grants system must:		
3.10.1	Include a system that assists subgrantees with their planning processes. For example, improvement plans, 5YCEP, Performance Indicators (such as IDEA), etc.		Entire Section is Pass/Fail
3.10.2	Allow a district level and school level-planning tool that aligns the 5YCEP, Effectiveness Reports, IDEA Performance Goals and Indicators, Technology Plan, and School-Wide Plan to grant fiscal resources.		
3.10.3	Allow integration of school improvement goals and strategies using various grants and projects (i.e., the user can see the big picture of all grant activities).		
3.10.4	Have a built in improvement-planning tool for all grants administered by the SEA, which eliminates the need for multiple program plans.		
3.10.5	Provide a means to enter district and school improvement plans.		
3.10.6	Show alignment of district and school plans.		
3.10.7	Force alignment of district plan, grant applications, and budgets where grants are seen as support mechanisms for planning goals.		
3.11	Review Applications The e-Grant system must be able to:		
3.11.1	Electronically facilitate the approval and amendment process of each of the submitted grant applications.		10

3.11.2	Allow district to save a completed applications in MS Word (.DOC) and/or Adobe (PDF) formats.		10
3.11.3	Allow for comments by both subgrantee and SEA.		6
3.11.4	Let the users review the status of each grant that they are eligible to receive (i.e., Status shall show the application has been completed and has been approved for submission, etc.).		10
3.11.5	Allow for multiple users to review competitive grants.		4
3.11.6	Ensure that approved applications/budgets and amendments are "locked" (able to be viewed but not edited).		10
3.11.7	Create and view multiple versions of an application and track changes created by an amendment.		10
3.11.8	Show differences between items that have been changed in the previous application(s).		10
3.11.9	Allow SEA to input recommendations, list required corrections, and track the completion of them.		10
3.12	Payments The e-Grant system shall be able to:		
3.12.1	Display budget and available balance.		10
3.12.2	Interface with the State (of Montana) Accounting and Budgeting System (SABHRS by PeopleSoft) More information concerning PeopleSoft products can be found at http://www.peoplesoft.com/corp/en/public_index.jsp .		7
3.12.3	Allow for payments, including refunds, based on schedules, reimbursements requests (claims), or a hybrid of both and also supports manual payments.		10
3.12.4	Allow for disapproval of payments or temporary withholding of one or all payments by grantee.		8
3.12.5	Prevent total payments from exceeding the approved budget.		10
3.12.6	Require justification for payment if it exceeds an amount designated by a business rule.		5

3.13	Expenditure and Program Reporting The e-Grant system must be able to:		
3.13.1	Allow for expenditure reporting at the categorical or line item level based on grant or grantee status.		10
3.13.2	Allow subgrantees to report on program activities to meet specific requirements for each grant (for example, end of year and interim reports).		8
3.13.3	Import line item or categorical expenditure data provided in a defined format.		5
3.13.4	Allow for subgrantees to provide final fiscal, program, and narrative reports in accordance with designated business rules.		8
3.13.5	Allow for final expenditure report approval process with multiple levels of approval by subgrantee and the SEA.		8
3.14	Reporting Requirements The e-Grant system must provide the following reporting functions:		
3.14.1	Pre-defined and ad-hoc report generation.		10
3.14.2	Access privileges must be implemented through the security model.		10
3.14.3	Ad-hoc report generation features must make all data elements available for inclusion in reports.		10
3.14.4	The ad-hoc report writer shall allow inclusion of graphs, subtotals, filters and totals.		6
3.14.5	System shall allow the SEA to modify pre-defined reports to include or remove fields and save these report definitions for future reporting.		4
3.14.6	The limits on the numbers of row and column dimensions, if any, shall be at least 256 columns and 65,536 rows so as not to restrict the potential complexity of the reported data.		6
3.14.7	System is capable of exporting all reports to various formats including, comma delimited or line delimited ASCII file, RTF, HTML, PDF, .DOC, XLS, and .TXT, as appropriate.		5
3.15	Reports - Vendor will provide up to 20 reports to be specified at a later date. Examples of such reports may include, but are not limited to, the following:		This section is Pass/Fail
3.15.1	1) Total funds budgeted or expended in a given year 2) Ability to generate reports on transferability and flexibility		

	3) Funding source summary 4) Reports required at the state and federal level (GEPA, EDEN, National Longitudinal Study, final program and fiscal) 5) Report of balances remaining in a given year 6) Report that shows amount of funds requested and paid to subgrantees for each grant, including the ability to roll up to the state level 7) Subgrantees that have been awarded allocations, but have not requested or applied for any of their funds 8) State level budget line analysis 9) Ability to view a portfolio of grant information and status at both the state and local level 10) Summary of the subgrantee's awards 11) Allocation report by subgrantee 12) Unspent funds not included in carryovers 13) MOE reports - which did and did not maintain effort.		
3.16	Training		
3.16.1	The training provided as part of the proposal shall include a combination of on-site, centralized in the district, and regional training as well as OPI's Information Technology staff, fiscal staff, and program specialists in Helena, Montana.		10
3.16.2	Follow-up training may be provided via the Internet, on DVD or CD-ROM or through the use of video streaming and/or video conferencing.		6
3.16.3	Training materials must include a user manual and any other relevant documentation such as technical manuals, error messages and codes, system reference guide, installations guides, etc.		5
3.16.4	Training must include "train the trainer," hands-on, and technical.		5
3.17	Software Support		
3.17.1	<p>The contractor must provide a "Help Desk" function from initial implementation through the end of the first year of implementation to assist internal and external users in solving problems of either a programmatic or technical nature. At a minimum, telephone support, on-line help and searchable help must be provided. Live technical support during business hours (7:00 a.m. to 6:00 p.m. Mountain time Monday through Friday) shall be provided via a toll free number. The help desk must be staffed by individuals located within the United States of America or its territories.</p> <p>Please explain how you will meet these requirements.</p> <p style="text-align: center;">Response Weight = 10</p>		

3.17.2	<p>In addition to the help desk function, include an explanation of the support functions provided and how each will be delivered. Include in your discussion, at a minimum, the following items for each product included in the proposal:</p> <ul style="list-style-type: none"> ○ Acceptable response time standards ○ Availability of support staff and how many support staff will be dedicated to this project ○ The on-going system support provided by the vendor and if software upgrades are included as part of the support. ○ Indicate the levels of support available. <p>Please explain how you will meet these requirements.</p> <p style="text-align: right;">Response Weight = 10</p>
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3.18	Acronym/Terminology Definitions
ACRONYM/TERMINOLOGY DEFINITIONS FOR SECTION 3	
5YCEP	Five Year Comprehensive Education Plan - A single school improvement plan developed to ensure ongoing continuous academic, social, emotional, and physical growth for all students; to ensure ongoing consistent improvement for all schools. Required by the Montana Board of Public Education in <i>ARM 10.55.601</i>
AYP	Adequate Yearly Progress - Mandated by NCLB. AYP is an individual state's measure of yearly progress for public schools and districts that generates valid and reliable accountability determinations.
Central	A central repository of standard directory information for subgrantees. Program uses a SQL 2000 database and MS Access front end.
CFDA	Catalog of Federal Domestic Assistance.
Consortium	A group of schools districts or other statutorily allowable entities that work together for a common purpose and apply for grant funds through a prime applicant. A school district may be a member of several consortia at the same time for different grant programs.
EDEN	Education Data Exchange Network - A central database for the U.S. Department of Education K-12 data including data mandated under NCLB.
Effectiveness Report	An annual report that provides a summary of the analysis of a school or district's 5YCEP annual goals as reflected in the action plan of their 5YCEP; analysis includes review of data as it applies to yearly goals and professional development.
ESEA	Elementary and Secondary Education Act was first enacted in 1965, is the principal federal law affecting K-12 education. The No Child Left Behind Act is the most recent reauthorization of the ESEA.
FCA	Federal Consolidated Application.
FIFO	First-In-First-Out Accounting Process.
GEPA	General Education Provisions Act (34 CFR 81). These are regulations, which govern the enforcement of legal requirements under applicable programs administered by the Department of Education and implement Part E of the General Education Provisions Act.
IDEA	Individuals with Disabilities Education Improvement Act of 2004 - Provides financial assistance to states and local education agencies to ensure that all children with disabilities have available to them a free, appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepare them for further education, employment, and independent living. Part B of IDEA provides funding for services to children with disabilities beginning at age three through age twenty-one, inclusive. The Preschool portion of IDEA provides funding for services to children with disabilities beginning at age three through age five, inclusive.
IDEA Performance Goals and Indicators	Performance goals and indicators, as required by IDEA, and contained in the State performance Plan (SPP).
LEA	Local Education Agency.
MOE	Maintenance of Effort or maintenance of fiscal effort is required by a number of federal programs to ensure that subgrantees do not use federal funds to replace or supplant local funds. MOE requirements are governed by a federal program's regulations.
NCLB	The No Child Left Behind Act is the name of the 2001 reauthorization of the Elementary and Secondary Education Act (ESEA). This legislation provides the major source of federal funding for public education in the U.S. and must be reauthorized by Congress every few years.

OPI	Montana Office of Public Instruction - refers to the State of Montana Education Agency (SEA).
PBDMI	Performance Based Data Management Initiative. This initiative has established a central database for the collection of K-12 data. Refer to EDEN.
Prime Applicant	The subgrantee, or fiscal agent, which applies for grant funds.
SEA	State Education Agency.
Special Education Cooperative	An administrative entity, formed in accord with the requirements of 20-7-451 through 20-7-457 MCA, which provides special education services.
SSL	Secure Sockets Layer is a protocol developed by Netscape for transmitting private documents via the Internet. SSL uses a cryptographic system that uses two keys to encrypt data – a public key known to everyone and a private or secret key known only to the recipient of the message.
Subgrantees	Subgrantees include, but are not limited to LEAs, universities, educational associations, community colleges, other state agencies, and private nonprofit organizations.
W3C	World Wide Web Consortium is a forum for information, commerce, communication, and collective understanding.

SECTION 4: OFFEROR QUALIFICATIONS/INFORMATIONAL REQUIREMENTS

4.0 STATE'S RIGHT TO INVESTIGATE AND REJECT

The State may make such investigations as deemed necessary to determine the ability of the offeror to provide the supplies and/or perform the services specified. The State reserves the right to reject any proposal if the evidence submitted by, or investigation of, the offeror fails to satisfy the State that the offeror is properly qualified to carry out the obligations of the contract. This includes the State's ability to reject the proposal based on negative references.

4.1 OFFEROR QUALIFICATIONS/INFORMATIONAL REQUIREMENTS

In order for the State to determine the capabilities of an offeror to provide the supplies and/or perform the services specified in Section 3 above, the offeror must respond to the following requests for information regarding its ability to meet the State's requirements. **THE RESPONSE "(OFFEROR'S NAME) UNDERSTANDS AND WILL COMPLY" IS NOT APPROPRIATE FOR THIS SECTION.**

NOTE: Each item must be thoroughly addressed. Offerors taking exception to any requirements listed in this section may be found non-responsive or be subject to point deductions.

4.1.1 References. Offeror shall provide a minimum of **four** (4) references where offeror was the prime contractor including at least one state level e-grants management system. The references may include state government or universities where the offeror, preferably within the last **five** (5) years, has successfully implemented a web-based electronic grants management system. At a minimum, the offeror shall provide the company name, the location where the supplies and/or services were provided, contact person(s), customer's telephone number, e-mail address, and a complete description of the service type, the role offerors company played in the implementation and support, other vendors involved in the project, and dates the services were provided. These references may be contacted to verify offeror's ability to perform the contract. The State reserves the right to use any information or additional references deemed necessary to establish the ability of the offeror to perform the conditions of the contract. Negative references may be grounds for proposal disqualification.

4.1.2 Resumes/Company Profile and Experience. Offeror shall specify how long the individual/company submitting the proposal has been in the business of providing supplies and/or services similar to those requested in this RFP and under what company name. Offeror should provide a complete description of any relevant past projects, including the supply/service type and dates the supplies and/or services were provided. A resume or summary of qualifications, work experience, education, skills, etc., which emphasizes previous experience in this area should be provided for all key personnel who will be involved with any aspects of the contract.

4.1.3 Ability to Meet Specifications. Offeror shall provide information as to its ability to meet the specifications, as more specifically detailed above in Section 3.

4.1.4 Method of Providing Services. Offeror shall provide a description of a work plan and the methods to be used that will convincingly demonstrate to the State what the offeror intends to do, the timeframes necessary to accomplish the work, and how the work will be accomplished to meet the contract requirements as more specifically detailed above in Section 3. Include at a minimum relevant information pertaining to the following items:

- Training plan
- Testing the program
- Help desk support
- Internal milestones

- Task durations
- SEA involvement
- How upgrades will be addressed
- How software upgrades are managed and priced
- How customer requests for system modifications will be handled
- How bug fixes and software errors are reported and resolved
- Indicate if upgrades are included in software maintenance or an annual service agreement.

If offeror plans on using any subcontractors for this project, please provide a list of those subcontractors and their contact information.

SECTION 5: COST PROPOSAL

5.0 COST PROPOSAL

The Montana Office of Public Instruction has a total of \$2.3 million available to split between this E-Grants Management Project, a data warehouse, student information system, and individualized education program. The OPI anticipates the E-Grants project will not exceed \$500,000. Funds for this project will come from both state and federal budgets. Based on this information, please submit your cost proposal and proposed payment method. Any offeror, which exceeds this amount, may be found to be non-responsive and removed from further consideration.

SECTION 6: EVALUATION PROCESS

6.0 BASIS OF EVALUATION

The evaluator/evaluation committee will review and evaluate the offers according to the following criteria based on a total number of 5,000 points.

The **References, Resumes/Company Profile and Experience, Ability to Meet Supply Specifications, Method of Providing Services, and Product Demonstration** portions of the offer will be evaluated based on the Scoring Guide below. The **Cost Proposal** will be evaluated based on the formula set forth on page 33.

Any response that fails to achieve a passing score per the requirements of Section 2.3.5 will be eliminated from further consideration. A "fail" for any individual evaluation criteria may result in proposal disqualification at the discretion of the procurement officer.

SCORING GUIDE

In awarding points to the evaluation criteria, the evaluator/evaluation committee will consider the following guidelines:

Superior Response (95-100%): A superior response is a highly comprehensive, excellent reply that meets all of the requirements of the RFP. In addition, the response covers areas not originally addressed within the RFP and includes additional information and recommendations that would prove both valuable and beneficial to the agency.

Good Response (85-94%): A good response meets all the requirements of the RFP and demonstrates in a clear and concise manner a thorough knowledge and understanding of the project, with no deficiencies noted.

Fair Response (60-84%): A fair response minimally meets most requirements set forth in the RFP. The offeror demonstrates some ability to comply with guidelines and requirements of the project, but knowledge of the subject matter is limited.

Failed Response (0-59%): A failed response does not meet the requirements set forth in the RFP. The offeror has not demonstrated sufficient knowledge of the subject matter.

6.1 EVALUATION CRITERIA

References		Pass/Fail
Category	Section of RFP	Point Value
A. References (Complete Contact Information Provided)	4.1.1	Pass/Fail

Resumes/Company Profile and Experience		5% of points for a possible 250 points
Category	Section of RFP	Point Value
A. Years of Experience	4.1.2	50
B. Past Projects	4.1.2	125
C. Staff Qualifications	4.1.2	75

Ability to Meet Supply Specifications Section 3.0 - 3.17.2		25% of points for a possible 1,250 points
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Each requirement has been assigned a weight and will be assigned a weighted score based on the offeror's response. The sum of these weighted scores will comprise the total score for each section. Additionally, some requirements and/or sections have been identified as Pass/Fail.

Category	Section of RFP	Point Value
A. General Requirements	3.1	86
B. Data Validation & Verification	3.2	86
C. Web Forms	3.3	Pass/Fail
D. Technical Environment	3.4	Pass/Fail
E. Security	3.5	125
F. Usability Functional Requirements	3.6	42
G. Grant Control	3.7	125
H. Grants Allocations	3.8	125
I. Grants Application	3.9	125
J. Planning Tool	3.10	Pass/Fail
K. Review Applications	3.11	125
L. Payments	3.12	125
M. Expenditure & Program Reporting	3.13	86
N. Reporting Requirements	3.14	100
O. Reports	3.15	Pass/Fail
P. Training	3.16	50
Q. Software Support	3.17	50

Method of Providing Services		10% of points for a possible 500 points
Category	Section of RFP	Point Value
A. Methods	4.1.4	188
B. Work Plan	4.1.4	312

Product Demonstration**40% of points for a possible 2,000 points**

Evaluation criteria will be provided to those offeror's who meet the requirements of section 2.3.5 of this RFP.

Cost Proposal**20% of points for a possible 1,000 points**

Category	Section of RFP	Point Value
A. Cost Proposal	5.0	1,000

Lowest overall cost receives the maximum allotted points. All other proposals receive a percentage of the points available based on their cost relationship to the lowest. Example: Total possible points for cost is 30. Offeror A's cost is \$20,000. Offeror B's cost is \$30,000. Offeror A would receive 30 points, Offeror B would receive 20 points ($\$20,000/\$30,000 = 67\% \times 30 \text{ points} = 20$).

Lowest Responsive Offer Total Cost

_____ x _____ Number of available points = Award Points

6.2 DEMONSTRATION INFORMATION

6.2.1 The offeror's product demonstration will be held at the OPI office located at 1227 11th Avenue in Helena, MT. All other costs, including, travel, equipment, supplies, communication needs, etc., are the responsibility of the offeror.

6.2.2 The offeror must provide, after acceptance and invitation to interview, the State with nine (9) paper copies of any presentation materials (not to exceed 50 pages). The State reserves the right to ask questions throughout this presentation.

6.2.3 The offeror cannot bring up any issues or exceptions to the RFP that were not raised in the formal written question and answer period.

6.2.4 Following the demonstration, the State may assemble a list of written follow-up questions to be delivered to the offeror's primary contact. The offeror will then have five (5) business days to respond. The offeror's response may then be rescored based on the answers to the written questions.

APPENDIX A: STANDARD TERMS AND CONDITIONS

By submitting a response to this invitation for bid, request for proposal, limited solicitation, or acceptance of a contract, the vendor agrees to acceptance of the following Standard Terms and Conditions and any other provisions that are specific to this solicitation or contract.

ACCEPTANCE/REJECTION OF BIDS, PROPOSALS, OR LIMITED SOLICITATION RESPONSES: The State reserves the right to accept or reject any or all bids, proposals, or limited solicitation responses, wholly or in part, and to make awards in any manner deemed in the best interest of the State. Bids, proposals, and limited solicitation responses will be firm for 30 days, unless stated otherwise in the text of the invitation for bid, request for proposal, or limited solicitation.

ACCESS AND RETENTION OF RECORDS: The contractor agrees to provide the department, Legislative Auditor, or their authorized agents, access to any records necessary to determine contract compliance (Mont. Code Ann. § 18-1-118). The contractor agrees to create and retain records supporting the services rendered or supplies delivered for a period of three years after either the completion date of the contract or the conclusion of any claim, litigation, or exception relating to the contract taken by the State of Montana or third party.

ALTERATION OF SOLICITATION DOCUMENT: In the event of inconsistencies or contradictions between language contained in the State's solicitation document and a vendor's response, the language contained in the State's original solicitation document will prevail. Intentional manipulation and/or alteration of solicitation document language will result in the vendor's disqualification and possible debarment.

ASSIGNMENT, TRANSFER AND SUBCONTRACTING: The contractor shall not assign, transfer or subcontract any portion of the contract without the express written consent of the department. (Mont. Code Ann. § 18-4-141.)

AUTHORITY: The following bid, request for proposal, limited solicitation, or contract is issued under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

COMPLIANCE WITH LAWS: The contractor must, in performance of work under the contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the contractor subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, the contractor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

CONFORMANCE WITH CONTRACT: No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without prior written consent of the State Procurement Bureau. Supplies delivered which do not conform to the contract terms, conditions, and specifications may be rejected and returned at the contractor's expense.

DEBARMENT: The contractor certifies, by submitting this bid or proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the contractor cannot certify this statement, attach a written explanation for review by the State.

DISABILITY ACCOMMODATIONS: The State of Montana does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals, who need aids, alternative document formats, or services for effective communications or other disability-related

accommodations in the programs and services offered, are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

FACSIMILE RESPONSES: Facsimile responses will be accepted for invitations for bids, small purchases or limited solicitations ONLY if they are completely received by the State Procurement Bureau prior to the time set for receipt. Bids, or portions thereof, received after the due time will not be considered. Facsimile responses to requests for proposals are ONLY accepted on an exception basis with prior approval of the procurement officer.

FAILURE TO HONOR BID/PROPOSAL: If a bidder/offeror to whom a contract is awarded refuses to accept the award (PO/contract) or, fails to deliver in accordance with the contract terms and conditions, the department may, in its discretion, suspend the bidder/offeror for a period of time from entering into any contracts with the State of Montana.

FORCE MAJEURE: Neither party shall be responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the non-performing party, so long as such party is using its best efforts to remedy such failure or delays.

HOLD HARMLESS/INDEMNIFICATION: The contractor agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under this agreement.

LATE BIDS AND PROPOSALS: Regardless of cause, late bids and proposals will not be accepted and will automatically be disqualified from further consideration. It shall be solely the vendor's risk to assure delivery at the designated office by the designated time. Late bids and proposals will not be opened and may be returned to the vendor at the expense of the vendor or destroyed if requested.

PAYMENT TERM: All payment terms will be computed from the date of delivery of supplies or services OR receipt of a properly executed invoice, whichever is later. Unless otherwise noted in the solicitation document, the State is allowed 30 days to pay such invoices. All contractors will be required to provide banking information at the time of contract execution in order to facilitate State electronic funds transfer payments.

RECIPROCAL PREFERENCE: The State of Montana applies a reciprocal preference against a vendor submitting a bid from a state or country that grants a residency preference to its resident businesses. A reciprocal preference is only applied to an invitation for bid for supplies or an invitation for bid for nonconstruction services for public works as defined in section 18-2-401(9), MCA, and then only if federal funds are not involved. For a list of states that grant resident preference, see <http://www.mt.gov/doa/gsd/procurement/reciprocalpreference.asp>.

REFERENCE TO CONTRACT: The contract or purchase order number MUST appear on all invoices, packing lists, packages and correspondence pertaining to the contract.

REGISTRATION WITH THE SECRETARY OF STATE: Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are incorporated in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with sections 35-1-1026 and 35-8-1001, MCA. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.

If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. To obtain registration materials, call the Office of the Secretary of State at (406) 444-3665, or visit their website at <http://www.sos.state.mt.us>.

SEPARABILITY CLAUSE: A declaration by any court, or any other binding legal source, that any provision of the contract is illegal and void shall not affect the legality and enforceability of any other provision of the contract, unless the provisions are mutually dependent.

SHIPPING: Supplies shall be shipped prepaid, F.O.B. Destination, unless the contract specifies otherwise.

SOLICITATION DOCUMENT EXAMINATION: Vendors shall promptly notify the State of any ambiguity, inconsistency, or error, which they may discover upon examination of a solicitation document.

TAX EXEMPTION: The State of Montana is exempt from Federal Excise Taxes (#81-0302402).

TECHNOLOGY ACCESS FOR BLIND OR VISUALLY IMPAIRED: Contractor acknowledges that no state funds may be expended for the purchase of information technology equipment and software for use by employees, program participants, or members of the public unless it provides blind or visually impaired individuals with access, including interactive use of the equipment and services, that is equivalent to that provided to individuals who are not blind or visually impaired. (Mont. Code Ann. § 18-5-603.) Contact the State Procurement Bureau at (406) 444-2575 for more information concerning nonvisual access standards.

TERMINATION OF CONTRACT: Unless otherwise stated, the State may, by written notice to the contractor, terminate the contract in whole or in part at any time the contractor fails to perform the contract.

UNAVAILABILITY OF FUNDING: The contracting agency, at its sole discretion, may terminate or reduce the scope of the contract if available funding is reduced for any reason. (Mont. Code Ann. § 18-4-313(4).)

U.S. FUNDS: All prices and payments must be in U.S. dollars.

VENUE: This solicitation is governed by the laws of Montana. The parties agree that any litigation concerning this bid, request for proposal, limited solicitation, or subsequent contract, must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees. (Mont. Code Ann. § 18-1-401.)

WARRANTIES: The contractor warrants that items offered will conform to the specifications requested, to be fit and sufficient for the purpose manufactured, of good material and workmanship and free from defect. Items offered must be new and unused and of the latest model or manufacture, unless otherwise specified by the State. They shall be equal in quality and performance to those indicated herein. Descriptions used herein are specified solely for the purpose of indicating standards of quality, performance and/or use desired. Exceptions will be rejected.

Revised 7/05

APPENDIX B: CONTRACT

1. Parties
2. Effective Date, Duration and Renewal
3. Cost/Price Adjustments
4. Services and/or Supplies
5. Consideration/Payment
6. Access and Retention of Records
7. Assignment, Transfer and Subcontracting
8. Hold Harmless/Indemnification
9. Limitation of Liability
10. Required Insurance
11. Compliance with Workers' Compensation Act
12. Compliance with Laws
13. Intellectual Property/Ownership
14. Patent and Copyright Protection
15. Contract Performance Assurance
16. Contract Oversight
17. Contract Termination
18. Event of Breach – Remedies
19. Waiver of Breach
20. State Personnel
21. Contractor Personnel
22. Meetings and Reports
23. Contractor Performance Assessments
24. Transition Assistance
25. Choice of Law and Venue
26. Scope, Amendment and Interpretation
27. Execution

Electronic Grants Management System
(CONTRACT NUMBER)

1. PARTIES

THIS CONTRACT, is entered into by and between the State of Montana, Montana Office of Public Instruction, (hereinafter referred to as "the State"), whose address and phone number are 1227 11th Avenue, Helena, MT 59620-2501, (406) 444-4404 and **(insert name of contractor)**, (hereinafter referred to as the "Contractor"), whose address and phone number are **(insert address)** and **(insert phone number)**.

THE PARTIES AGREE AS FOLLOWS:

2. EFFECTIVE DATE, DURATION, AND RENEWAL

2.1 Contract Term. This contract shall take effect on February 3, 2006, **(or upon contract execution)** and terminate on February 2, 2007, unless terminated earlier in accordance with the terms of this contract. (Mont. Code Ann. § 18-4-313.)

2.2 Contract Renewal. This contract may, upon mutual agreement between the parties and according to the terms of the existing contract, be renewed in one-year intervals, or any interval that is advantageous to the State. This contract, including any renewals, may not exceed a total of five (5) years, at the option of the State.

3. COST/PRICE ADJUSTMENTS

3.1 Price Adjustments Negotiated Based on Changes in Contractor's Costs. Price adjustments may be permitted at the time of contract renewal through a process of negotiation with the Contractor and the State. Any price increases must be based on demonstrated industry-wide or regional increases in the Contractor's costs. Publications such as the Federal Bureau of Labor Statistics and the Consumer Price Index (CPI) for all Urban Consumers may be used to determine the increased value.

4. SERVICES AND/OR SUPPLIES

Contractor agrees to provide to the State a Web-Enabled Electronic Grants Management System (E-Grants) for the Montana Office of Public Instruction (OPI) that will be accessible to all LEAs and other subgrantees via the Internet without need for installing any special software or hardware.

5. CONSIDERATION/PAYMENT

5.1 Payment Schedule. In consideration for the Web-Enabled Electronic Grants Management System to be provided, the State shall pay according to the following schedule: **(insert pay schedule)**.

5.2 Withholding of Payment. The State may withhold payments to the Contractor if the Contractor has not performed in accordance with this contract. Such withholding cannot be greater than the additional costs to the State caused by the lack of performance.

6. ACCESS AND RETENTION OF RECORDS

6.1 Access to Records. The Contractor agrees to provide the State, Legislative Auditor or their authorized agents access to any records necessary to determine contract compliance. (Mont. Code Ann. § 18-1-118.)

6.2 Retention Period. The Contractor agrees to create and retain records supporting the Web-Enabled Electronic Grants Management System for a period of three (3) years after either the completion date of this contract or the conclusion of any claim, litigation or exception relating to this contract taken by the State of Montana or a third party.

7. ASSIGNMENT, TRANSFER AND SUBCONTRACTING

The Contractor shall not assign, transfer or subcontract any portion of this contract without the express written consent of the State. (Mont. Code Ann. § 18-4-141.) The Contractor shall be responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by the Contractor. No contractual relationships exist between any subcontractor and the State.

8. HOLD HARMLESS/INDEMNIFICATION

The Contractor agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under this agreement.

9. LIMITATION OF LIABILITY

Except for damages caused by injury to persons or tangible property, or related to defending intellectual property provided under the contract, the Contractor's liability for contract damages is limited to direct damages.

10. REQUIRED INSURANCE

10.1 General Requirements. The Contractor shall maintain for the duration of the contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

10.2 Primary Insurance. The Contractor's insurance coverage shall be primary insurance as respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

10.3 Specific Requirements for Commercial General Liability. The Contractor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of **\$500,000.00** per occurrence and **\$1,000,000.00** aggregate per year to cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns or subcontractors.

10.4 Additional Insured Status. The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds; for liability arising out of activities performed by or on behalf of the Contractor, including the insured's general supervision of the Contractor; products and completed operations; premises owned, leased, occupied, or used.

10.5 Specific Requirements for Automobile Liability. The Contractor shall purchase and maintain coverage with split limits of \$500,000 per person (personal injury), \$1,000,000 per accident occurrence (personal injury), and \$100,000 per accident occurrence (property damage), OR combined single limits of \$1,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of the contractor or its officers, agents, representatives, assigns or subcontractors.

10.6 Additional Insured Status. The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds for automobiles leased, hired, or borrowed by the Contractor.

10.7 Specific Requirements for Professional Liability. The Contractor shall purchase and maintain occurrence coverage with combined single limits for each wrongful act of **\$1,000,000.00** per occurrence and **\$2,000,000.00** aggregate per year to cover such claims as may be caused by any act, omission, negligence of the Contractor or its officers, agents, representatives, assigns or subcontractors. Note: if "occurrence" coverage is unavailable or cost prohibitive, the Contractor may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of the contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

10.8 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by the state agency. At the request of the agency either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the State, its officers, officials, employees, or volunteers; or (2) at the expense of the Contractor, the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

10.9 Certificate of Insurance/Endorsements. A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverages, has been received by the State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135. The Contractor must notify the State immediately, of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. The State reserves the right to require complete copies of insurance policies at all times.

11. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Contractors are required to comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance sections 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither the contractor nor its employees are employees of the State. This insurance/exemption must be valid for the entire term of the contract. A renewal document must be sent to the State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135, upon expiration.

12. COMPLIANCE WITH LAWS

The Contractor must, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the Contractor subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, the Contractor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

13. INTELLECTUAL PROPERTY/OWNERSHIP

13.1 Mutual Use. All patent and other legal rights in or to inventions created in whole or in part under this contract must be available to the State for royalty-free and nonexclusive licensing. Unless otherwise specified in a statement of work, both parties shall have a royalty-free, nonexclusive, and irrevocable right to reproduce, publish or otherwise use and authorize others to use, copyrightable property created under this contract including all deliverables and other materials, products, modifications developed or prepared for the State by Contractor under this contract or any program code, including site related program code, created, developed or prepared by Contractor under or in support of the performance of its obligations hereunder, including manuals, training materials and documentation (the “work product”).

13.2 Title and Ownership Rights. The State shall retain title to and all ownership rights in all data and content, including but not limited to multimedia or images (graphics, audio and video), text and the like provided by the State (the “content”), but grants Contractor the right to access and use content for the purpose of complying with its obligations under this contract and any applicable statement of work.

13.3 Ownership of Work Product. Contractor agrees to execute any documents or take any other actions as may reasonably be necessary, or as the State may reasonably request, to perfect the State’s ownership of any work product.

13.4 Copy of Work Product. Contractor shall, at no cost to the State, deliver to the State, upon the State’s request during the term or at the expiration or termination of all or part of Contractor’s performance hereunder, a current copy of all work product in the form and on the media in use as of the date of the State’s request, or as of such expiration or termination, as the case may be.

13.5 Ownership of Contractor Information. Techniques, sub-routines, algorithms and methods or rights thereto owned by Contractor at the time this contract is executed and employed by Contractor in connection with the services provided to the State (the “contractor information”) shall be and remain the property of Contractor. The Contractor must provide full disclosure of any contractor information to the State prior to its use and prove its ownership. Contractor grants to the State a perpetual, irrevocable, royalty free, unrestricted right to use, modify, transfer and maintain the contractor information. Except as otherwise provided for in Section 13.3 or as may be expressly agreed in any statement of work, Contractor shall retain title to and ownership of any hardware provided by Contractor.

14. PATENT AND COPYRIGHT PROTECTION

14.1 Third Party Claim. In the event of any claim by any third party against the State that the products furnished under this contract infringe upon or violate any patent or copyright, the State shall promptly notify Contractor. Contractor shall defend such claim, in the State’s name or its own name, as appropriate, but at Contractor’s expense. Contractor will indemnify the State against all costs, damages and attorney’s fees that accrue as a result of such claim. If the State reasonably concludes that its interests are not being properly protected, or if principles of governmental or public law are involved, it may enter any action.

14.2 Product Subject of Claim. If any product furnished is likely to or does become the subject of a claim of infringement of a patent or copyright, then Contractor may, at its option, procure for the State the right to continue using the alleged infringing product, or modify the product so that it becomes non-infringing. If none of the above options can be accomplished, or if the use of such product by the State shall be prevented by injunction, the State will determine if the Contract has been breached.

15. CONTRACT PERFORMANCE ASSURANCE

15.1 Milestone Payments. Payments to the Contractor will be based on completion and acceptance of each milestone defined below.

15.2 Payment Holdbacks. 5 % will be withheld from each milestone payment. The total amount withheld will be paid to the contractor at the completion and acceptance of the final milestone.

Milestone/Deliverable	Hold Back	Payment % of Total
Milestone 1:		
Milestone 2:		
Milestone 3:		
Milestone 4:		
Milestone 5:		
Final Acceptance		100%

15.3 Contract Performance Security – All Forms Accepted.

The Contractor must provide contract performance security based upon 25% of the contract total.

The contract performance security must be provided by the Contractor in one of the following forms, within ten (10) working days from the Request for Documents Notice. ONLY THE FOLLOWING TYPES OF SECURITY ARE ACCEPTABLE AND MUST BE IN ORIGINAL FORM. FACSIMILE, ELECTRONIC, OR PHOTOCOPIES ARE NOT ACCEPTABLE.

- a sufficient bond from a surety company licensed in Montana with a Best's rating of no less than A- and supplied on the State of Montana's designated form found at <http://www.mt.gov/doa/gsd/procurement/forms.asp> and entitled "Contract Performance Bond"; or
- lawful money of the United States; or
- an irrevocable letter of credit from a single financial institution and supplied on the State of Montana's designated form found at <http://www.mt.gov/doa/gsd/procurement/forms.asp> and entitled "Irrevocable Letter of Credit"; or
- a cashier's check, certified check, bank money order, bank draft, certificate of deposit, or money market certificates drawn or issued by a federally or state-chartered bank or savings and loan association that is insured by or for which insurance is administered by the FDIC or that is drawn and issued by a credit union insured by the national credit union share insurance fund. Certificates of deposit or money market certificates will not be accepted as security for bid, proposal or contract security unless the certificates are assigned only to the State. All interest income from these certificates must accrue only to the contractor and not the State.
- personal or business checks are not acceptable.

See Title 18, chapter 4, part 3, MCA, Title 30, chapter 5, MCA, and ARM 2.5.502.

This contract performance security must remain in effect for the entire term of the contract. A new surety bond or irrevocable letter of credit must be issued to the State of Montana if this contract is renewed.

The contract performance security has been provided to the following address: State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135.

16. CONTRACT OVERSIGHT

16.1 CIO Oversight. The Chief Information Officer (CIO) for the State of Montana, or designee, may perform contract oversight activities. Such activities may include the identification, analysis, resolution, and prevention of deficiencies that may occur within the performance of contract obligations. The CIO may require the issuance of a right to assurance or the issuance of a stop work order.

16.2 Right to Assurance. If the State, in good faith, has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this contract, the State may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of days specified in the demand may, at the State's option, be the basis for terminating the contract under the terms and conditions or other rights and remedies available by law or provided by the contract.

16.3 Stop Work Order. The State may, at any time, by written order to the Contractor, require the Contractor to stop any or all parts of the work required by this contract for the period of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The State Project Manager shall make the necessary adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

17. CONTRACT TERMINATION

17.1 Termination for Cause. The State may, by written notice to the Contractor, terminate this contract in whole or in part at any time the Contractor fails to perform the contract pursuant to Section 18, Event of Breach – Remedies.

17.2 Bankruptcy or Receivership. Voluntary or involuntary Bankruptcy or receivership by Contractor may be cause for termination.

17.3 Non-Compliance with Department of Administration Requirements. The Department of Administration pursuant to section 2-17-514, MCA, retains the right to cancel or modify any contract, project or activity that is not in compliance with the Department's Plan for Information Technology, the State Strategic Plan for Information Technology, or any Statewide IT policy or standard in effect as of the date of contract signing.

17.4 Reduction of Funding. The State, at its sole discretion, may terminate or reduce the scope of this contract if available funding is reduced for any reason. (Mont. Code Ann. § 18-4-313(4)).

18. EVENT OF BREACH – REMEDIES

18.1 Event of Breach. Any one or more of the following acts or omissions of the Contractor shall constitute an event of breach:

- a. products or services furnished by the Contractor fail to conform to any requirement of the contract, or
- b. failure to submit any report required hereunder; or
- c. failure to perform any of the other covenants and conditions of the contract, including beginning work under this contract without prior Department of Administration approval.

18.2 State's Actions in Event of Breach. Upon the occurrence of any event of breach, the State may take any one, or more, or all, of the following actions:

- a. give the Contractor a written notice specifying the event of breach and requiring it to be remedied within, in the absence of a greater or lesser specification of time, 30 days from the date of the notice; and if the event of breach is not timely remedied, terminate this contract upon giving the Contractor notice of termination;
- b. give the Contractor a written notice specifying the event of breach and suspending all payments to be made under this contract and ordering that the portion of the contract price, which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the event of breach, shall never be paid to the Contractor;
- c. set off against any other obligation the State may owe to the Contractor any damages the State suffers by reason of any event of breach; or
- d. treat the contract as materially breached and pursue any of its remedies at law or in equity, or both.

19. WAIVER OF BREACH

No failure by the State to enforce any provisions hereof after any event of breach shall be deemed a waiver of its rights with regard to that event, or any subsequent event. No express failure of any event of breach shall be deemed a waiver of any provision hereof. No such failure or waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other breach on the part of the Contractor.

20. STATE PERSONNEL

20.1 State Contract Manager. The State Contract Manager identified below is the State's single point of contact and will perform all contract management pursuant to section 2-17-512, MCA, on behalf of the State. Written notices, requests, complaints or any other issues regarding the contract should be directed to the State Contract Manager.

The State Contract Manager for this contract is:

Sioux Roth
1227 11th Avenue
P.O. Box 202501
Helena, MT 59620
406-444-4404
406-444-1369 (fax)

20.2 State Project Manager. The State Project Manager identified below will manage the day-to-day project activities on behalf of the State.

The State Project Manager for this contract is:

Dave Nagel
1227 11th Avenue
Helena, MT 59620
406-444-1369 (fax)

21. CONTRACTOR PERSONNEL

21.1 Identification/Substitution of Personnel. The personnel identified or described in the Contractor's proposal shall perform the services provided for the State under this contract. Contractor agrees that any personnel substituted during the term of the contract must be able to conduct the required work to industry standards and be equally or better qualified than the personnel originally assigned. The State reserves the right to approve Contractor personnel assigned to work under the contract, and any changes or substitutions to such personnel. The State's approval of a substitution will not be unreasonably withheld. This approval or disapproval shall not relieve the Contractor to perform and be responsible for its obligations under this Contract. The State reserves the right to require Contractor personnel replacement. In the event that Contractor personnel become unavailable, it will be the Contractor's responsibility to provide an equally qualified replacement in time to avoid delays to the work plan.

21.2 Contractor Contract Manager. The Contractor Contract Manager identified below will be the single point of contact to the State Contract Manager and will assume responsibility for the coordination of all contract issues under this contract. The Contractor Contract Manager will meet with the State Contract Manager and/or others necessary to resolve any conflicts, disagreements, or other contract issues.

The Contractor Contract Manager for this contract is:

(Name):
(Address):
(City, State, ZIP):
(Telephone #):
(Cell Phone #):
(Fax #):
(E-mail):

21.3 Contractor Project Manager. The Contractor Project Manager identified below will manage the day-to-day project activities on behalf of the Contractor:

The Contractor Project Manager for this contract is:

(Name):
(Address):
(City, State, ZIP):
(Telephone #):
(Cell Phone #):
(Fax #):
(E-mail):

22. MEETINGS AND REPORTS

22.1 Technical or Contractual Problems. The Contractor is required to meet with the State's personnel, or designated representatives, to resolve technical or contractual problems that may occur during the term of the contract, at no additional cost to the State. Meetings will occur as problems arise and will be coordinated by the State. Failure to participate in problem resolution meetings or failure to make a good faith effort to resolve problems may result in termination of the contract.

22.2 Progress Meetings. During the term of the contract, the State's Project Manager will plan and schedule progress meetings with the Contractor to discuss the progress made by the Contractor and the State in the performance of their respective obligations. These progress meetings will include the State Project Manager, the Contractor Project Manager, and any other additional personnel involved in the performance of the contract as required. At each such meeting, the Contractor shall provide the State with a written status report that identifies any problem or circumstance encountered by Contractor, or of which Contractor gained

knowledge during the period since the last such status report, which may prevent Contractor from completing any of its obligations or may generate charges in excess of those previously agreed to by the parties. This may include the failure or inadequacy of the State to perform its obligation under the contract. Contractor shall identify the amount of excess charges, if any, and the cause of any identified problem or circumstance and the steps taken to remedy the same.

22.3 Failure to Notify. In the event Contractor fails to specify in writing any problem or circumstance with respect to the period during the term covered by Contractor's status report, it shall be conclusively presumed for purposes of this contract that no such problem or circumstance arose during such period, and Contractor shall not be entitled to rely upon such problem or circumstance as a purported justification for either claiming it is entitled to receive any amount (including without limitation damages or additional charges arising out of a breach by the State of any State obligation) with respect to any of Contractor's obligations hereunder in excess of those previously agreed to; or failing to complete any of Contractor's obligations hereunder. Submission by Contractor of the status reports shall not alter, amend or modify Contractor's or the State's rights or obligations pursuant to any provision of this Contract.

22.4 State's Failure or Delay. For a problem or circumstance identified in the Contractor's status report in which Contractor claims was the result of the State's failure or delay in discharging any State obligation, the State shall review same and determine if such problem or circumstance was in fact the result of such failure or delay. If the State agrees as to the cause of such problem or circumstance, then the Parties shall extend any deadlines or due dates affected thereby, and provide for any additional charges by Contractor. If the State does not agree as to the cause of such problem or circumstance, the Parties shall each attempt to resolve the problem or circumstance in a manner satisfactory to both Parties.

23. CONTRACTOR PERFORMANCE ASSESSMENTS

23.1 Assessments. The State may do assessments of the Contractor's performance. Contractors will have an opportunity to respond to assessments, and independent verification of the assessment may be utilized in the case of disagreement.

23.2 Record. Completed assessments may be kept on record at ITSD and may serve as past performance data. Past performance data will be available to assist agencies in the selection of IT service providers for future projects. Past performance data may also be utilized in future procurement efforts.

24. TRANSITION ASSISTANCE

If this contract is not renewed at the end of this term, or is terminated prior to the completion of a project, or if the work on a project is terminated for any reason, the Contractor must provide for a reasonable period of time after the expiration or termination of this project or contract, all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this contract, except for those terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the contract. If there are no established contract rates, then the rate shall be mutually agreed upon. If the State terminates a project or this contract for cause, then the State will be entitled to offset the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said termination.

25. CHOICE OF LAW AND VENUE

This contract is governed by the laws of Montana. The parties agree that any litigation concerning this bid, proposal or subsequent contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana and each party shall pay its own costs and attorney fees. (See Mont. Code Ann. § 18-1-401.)

26. SCOPE, AMENDMENT AND INTERPRETATION

26.1 Contract. This contract consists of (insert number) numbered pages, any Attachments as required, RFP #06-1200O, as amended and the Contractor's RFP response as amended. In the case of dispute or ambiguity about the minimum levels of performance by the Contractor the order of precedence of document interpretation is in the same order.

26.2 Entire Agreement. These documents contain the entire agreement of the parties. Any enlargement, alteration or modification requires a written amendment signed by both parties.

27. EXECUTION

The parties through their authorized agents have executed this contract on the dates set out below.

Office Of Public Instruction
1227 11th Avenue
Helena, MT 59620

(INSERT CONTRACTOR'S NAME)
(Insert Address)
(Insert City, State, Zip)

BY: _____
(Name/Title)

BY: _____
(Name/Title)

BY: _____
(Signature)

BY: _____
(Signature)

DATE: _____

DATE: _____

Approved as to Legal Content:

Legal Counsel (Date)

Agency: _____

Approved as to Form:

Procurement Officer (Date)
State Procurement Officer

Chief Information Officer Approval:

The Contractor is notified that pursuant to section 2-17-514, MCA, the Department of Administration retains the right to cancel or modify any contract, project or activity that is not in compliance with the Agency's Plan for Information Technology, the State Strategic Plan for Information Technology, or any statewide IT policy or standard.

Chief Information Officer (Date)
Department of Administration